

**REMARKS**

Claim 1 has been canceled, claims 2-14, and 16 have been amended to more fully point out and distinctly claim the subject matter of the present invention and claims 17-20 have been added. No new matter has been added. Thus, claims 2-20 are pending in the present application. In view of the foregoing amendments and the following remarks, it is respectfully submitted that all of the presently pending claims are allowable.

**I. Newly Added Claims 17-20**

The applicants have added computer implemented method claims 17-20 and respectfully request the Examiner to enter these claims because each of the limitations recited in claims 17-20 are recited in the claims previously examined. Thus, the newly added claims 17-20 do not require an additional search by the Examiner.

**II. The Rejections Under 35 U.S.C. § 101 Should Be Withdrawn**

The Examiner has rejected claims 1-14 and 16 under 35 U.S.C. 101 as being directed to non-statutory subject matter. (09/10/2004 *Office Action*, ¶ 5). The applicants have canceled claim 1 and have amended claims 2-9 and 16 to depend from claim 15 which is not rejected under 35 U.S.C. 101. In addition, applicants have amended claims 10-14 to recite a system comprising means for performing data manipulation. Accordingly, the applicants respectfully submit that claims 2-14 are directed to statutory subject matter and the rejection under 35 U.S.C. 101 should be withdrawn.

### **III. The Rejections Under 35 U.S.C. § 112 Should Be Withdrawn**

The Examiner has rejected claims 10-14 under the second paragraph of 35 U.S.C. 112 as being indefinite for failing to particularly point out and distinctly claim the subject matter. (09/10/2004 *Office Action*, ¶ 7). The applicants have amended claims 10-14 using “means plus function” language. Therefore, claims 10-14 do not recite software code per se. Accordingly, the applicants respectfully submit that claims 10-14 are not indefinite and the rejection under the second paragraph of 35 U.S.C. 112 should be withdrawn.

### **IV. The Rejections Under 35 U.S.C. § 103 Should Be Withdrawn**

The Examiner has rejected claims 1-16 under 35 U.S.C. 103(a) as being unpatentable over Rebane, Kirk A., “Determining Worth in the Consolidation Era,” *National Home Center News ProDealer Supplement*, Jan. 10, 2000 (hereinafter “Rebane”) in view of U.S. Patent Application Publication 2002/0049621 to Bruce (hereinafter “Bruce”). 09/10/2004 *Office Action*, ¶¶ 8-9, pp. 4-11. However, applicants note that in rejecting claims 1 and 15, the Examiner does not refer to Bruce, but rather limits all discussion to Rebane and Official Notice. *Id.* at ¶ 9, pp. 4-8.

Rebane discloses a method for determining the value of a lumber and building material (LBM) business. *Rebane*, ¶ 1. Rebane discloses that there may be various reasons for wanting to know the value of the LBM business such as sale of the business, estate planning and partner buyout. *Id.*, ¶ 3. Rebane states that “cash flow is the primary determinant of the value of a lumberyard.” *Id.*, ¶ 4. Rebane states that empirical data suggests that the value of an LBM business is four to six times the EBITDA of the LBM business. *Id.* Rebane also identifies various factors which may affect cash flow, such as new marketing, inventory quality, working capital, etc. *Id.*, ¶¶ 5-14. Rebane suggests that the above factors “may need to be addressed

during the negotiation process between the buyer and the seller [of the LBM business].” *Id.*, ¶ 14.

Initially, claim 15 of the present application recites “evaluating at predetermined times *a potential monetary impact of each of the risks and each of the opportunities* on the future condition of the business entity.” The specification of the present invention describes several methods for quantifying a monetary impact of an opportunity or a risk. *See, e.g., Specification*, page 13, lines 11-24. Rebane teaches that the listed “factors can impact the target company’s revenue.” *Rebane*, ¶ 14. As described above, the main purpose of Rebane is to suggest factors that may affect cash flow. However, Rebane never discloses, either qualitatively or quantitatively, how one would adjust cash flow based on these factors. The disclosure in Rebane that certain factors can affect cash flow without an enabling disclosure as to how such factors would affect cash flow is tantamount to a disclosure that a business should make money without describing how one should earn that money. It is no secret to one skilled in the art that there are many factors which may affect cash flow. However, this does not mean that those same skilled artisans know a quantitative manner of assessing the impact on cash flow. It is respectfully submitted that there is no teaching or suggestion in Rebane as to how one would quantify in a cash flow calculation “*a potential monetary impact of each of the risks and each of the opportunities*” as recited in claim 15.

Furthermore, claim 15 continues to recite “determining at each of the predetermined times for each of the risks, *one of a probability that the risk will occur during a predetermined period of time and a frequency at which the risk will occur*” and “determining at each of the predetermined times for each of the opportunities, *one of a probability that the opportunity will occur during a predetermined period of time and a frequency at which the opportunity will occur.*”

For each of the limitations listed above, the Examiner stated the same reasoning for the rejection:

The predetermined period of time is interpreted as the period of time between the current time and the time of consummating a contract, e.g., selling a company, or the period of time following consummation of a contract. For example, if an entity considering to buy out a partner wants to evaluate the potential opportunities and risks associated with such a business venture, then he/she is projecting the effects of the business venture on him/her once the partner has been bought out, i.e., after a buy-out contract is consummated. A converse argument can be made for a seller assessing his/her opportunities and risks arising from a given business venture.

09/10/2004 Office Action, ¶ 9, pp. 5-6.

The Examiner never discusses how Rebane discloses determining a probability and/or a frequency that a risk or opportunity will occur. The reason is clear – Rebane never discloses determining a probability or a frequency. As described above, Rebane merely teaches that the listed “factors can impact the target company’s revenue.” *Rebane*, ¶ 14. This in no way teaches or suggests the assignment of a probability or a frequency that the factor may happen. In fact, Rebane never discusses how one should handle this information. There is no discussion whatsoever of the assignment of probabilities or frequencies. Once again, the description of the present invention is replete with examples. *See, e.g., Specification*, page 13, lines 1-9; Figs. 4 and 5. Thus, it is respectfully submitted that the Rebane reference neither teaches nor suggests determining “one of a probability that the risk will occur during a predetermined period of time and a frequency at which the risk will occur” and “one of a probability that the opportunity will occur during a predetermined period of time and a frequency at which the opportunity will occur” as recited in claim 15.

Finally, claim 15 also recites “projecting at each of the predetermined times the future condition of the business entity based on a monetary value of each of the risks and opportunities, wherein *the monetary value for each of the risks and opportunities is determined based on the potential monetary impact and the corresponding one of frequency and probability.*” As described above, Rebane neither teaches or suggests determining a potential monetary impact of a risk/opportunity, a frequency of occurrence of a risk/opportunity or a probability of occurrence of a risk/opportunity. Thus, there clearly is no disclosure of a monetary value for each risk/opportunity based on these. The only discussion of any monetary value in Rebane is that buyers are generally willing to pay four to six time the adjusted EBITDA. Rebane, ¶ 4. This has no relation to the assignment of a monetary value to a risk/opportunity based on a potential monetary impact of a risk/opportunity, a frequency of occurrence of a risk/opportunity or a probability of occurrence of a risk/opportunity as recited in claim 15 and described in the specification of the present invention. See, e.g., *Specification*, page 13, lines 24-28. Thus, it is respectfully submitted that Rebane neither teaches nor suggests “projecting at each of the predetermined times the future condition of the business entity based on a monetary value of each of the risks and opportunities, wherein *the monetary value for each of the risks and opportunities is determined based on the potential monetary impact and the corresponding one of frequency and probability*” as recited in claim 15.

Bruce describes a method for an individual or a business organization to accomplish external goals based on scheduling drivers and operational drivers. The scheduling drivers are described as entity classifications which contain various information. (Bruce, ¶ 0194. Operational drivers are described as resource priorities which depend on the company. (*Id.* at ¶ 0210). Each of contributions of these drivers may be weighted differently based on one of the specific five process flows described. (*Id.* at ¶ 0192). A business organization may then use the

weighted averages of these drivers to make a decision. (*Id.* at ¶ 0405).

Bruce fails to cure the deficiencies of Rebane. Bruce neither discloses nor suggests quantifying risks and opportunities based on the monetary impact to the business entity. Bruce describes artificial weighted averages for various levels of drivers which may be used for decision purposes. While statistical analysis is helpful to making calculated decisions, risks and opportunities which have corresponding monetary values provide for a uniform decision making process in a business environment. Conversely, the weighted averages described in Bruce do not provide any monetary information concerning the factors described in the Bruce reference. Furthermore, any monetary discussions in Bruce appear to be limited to previous budget histories and cost changes. However, there is no teaching or suggestion that such matters can be used to assign a potential monetary impact to individual risks or opportunities as is recited in claim 15.

Accordingly, for at least the reasons described above, the applicants respectfully submit that the Rebane reference and the Bruce reference, either alone or in combination, neither teach nor suggest the described limitations of claim 15. Applicants therefore respectfully request that the rejection of claim 15 and all the rejected claims dependent therefrom (claims 2-9 and 16) be withdrawn.

Similarly, the independent claim 10 has similar limitations as described above with reference to claim 15. Specifically, claim 10 recites a system comprising of “a second storage means for receiving and storing data corresponding to a potential monetary impact on the future condition of the business entity of each of the risks and opportunities stored in the first data storage module” and “a calculation means for projecting the future condition of the business entity based on a monetary value of each of the risks and opportunities stored in the first storage means, wherein the monetary value is a function of the potential monetary impact and the one of frequency and probability for each of the risks and opportunities from the first and second input

means.”

Accordingly, for the same reasons as described above with reference to claim 15, the applicants respectfully request that the rejection of claim 10 and the claims depending therefrom (claims 11-14) be withdrawn.

**CONCLUSION**

In view of the remarks submitted above, the applicants respectfully submit that the present case is in condition for allowance. All issues raised by the Examiner have been addressed, and a favorable action on the merits is thus earnestly requested.

Respectfully submitted,

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